



Life-Cycle Costs of Selected Uniformed Health Professions Study (LCCS)

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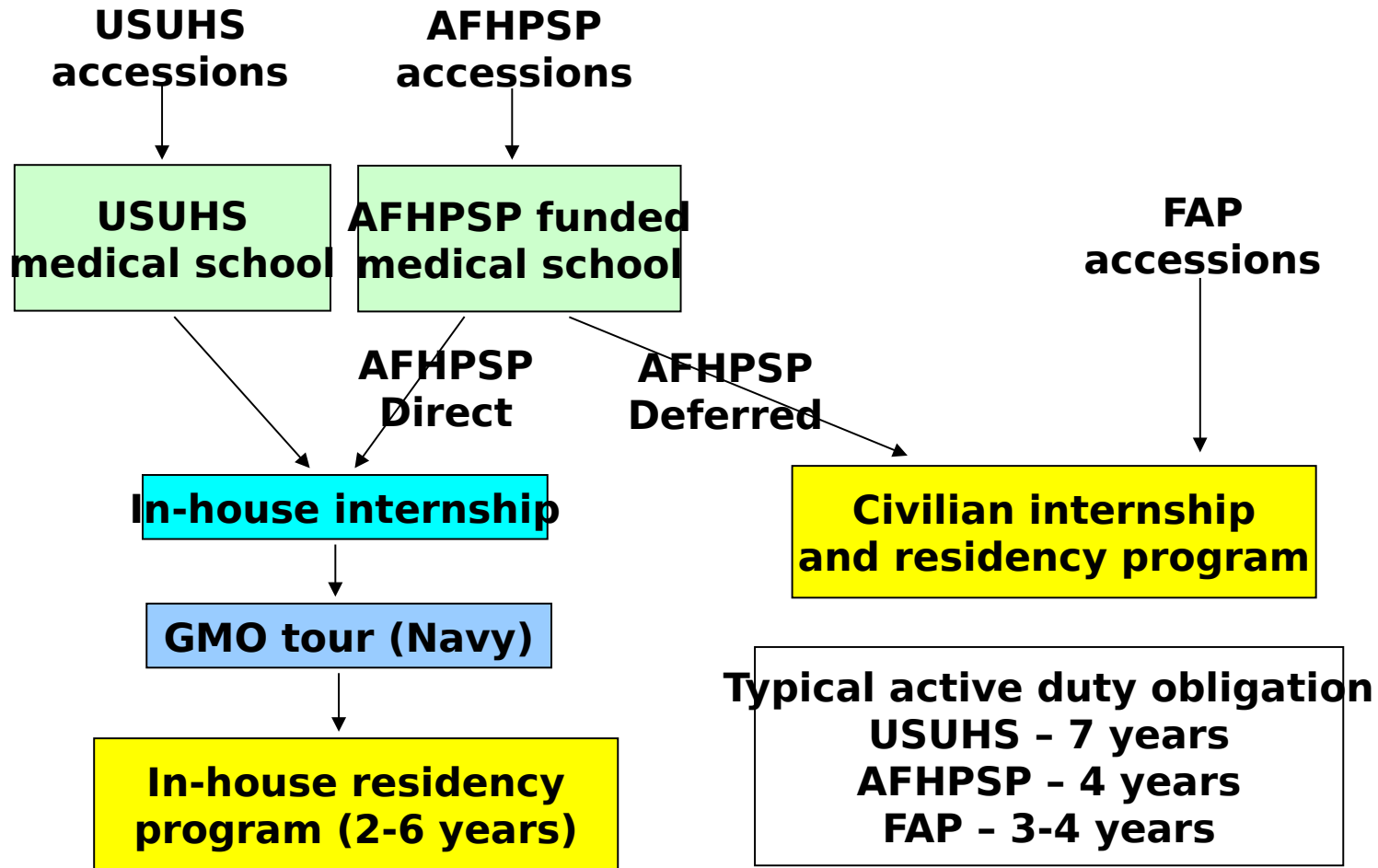
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LCCS approach

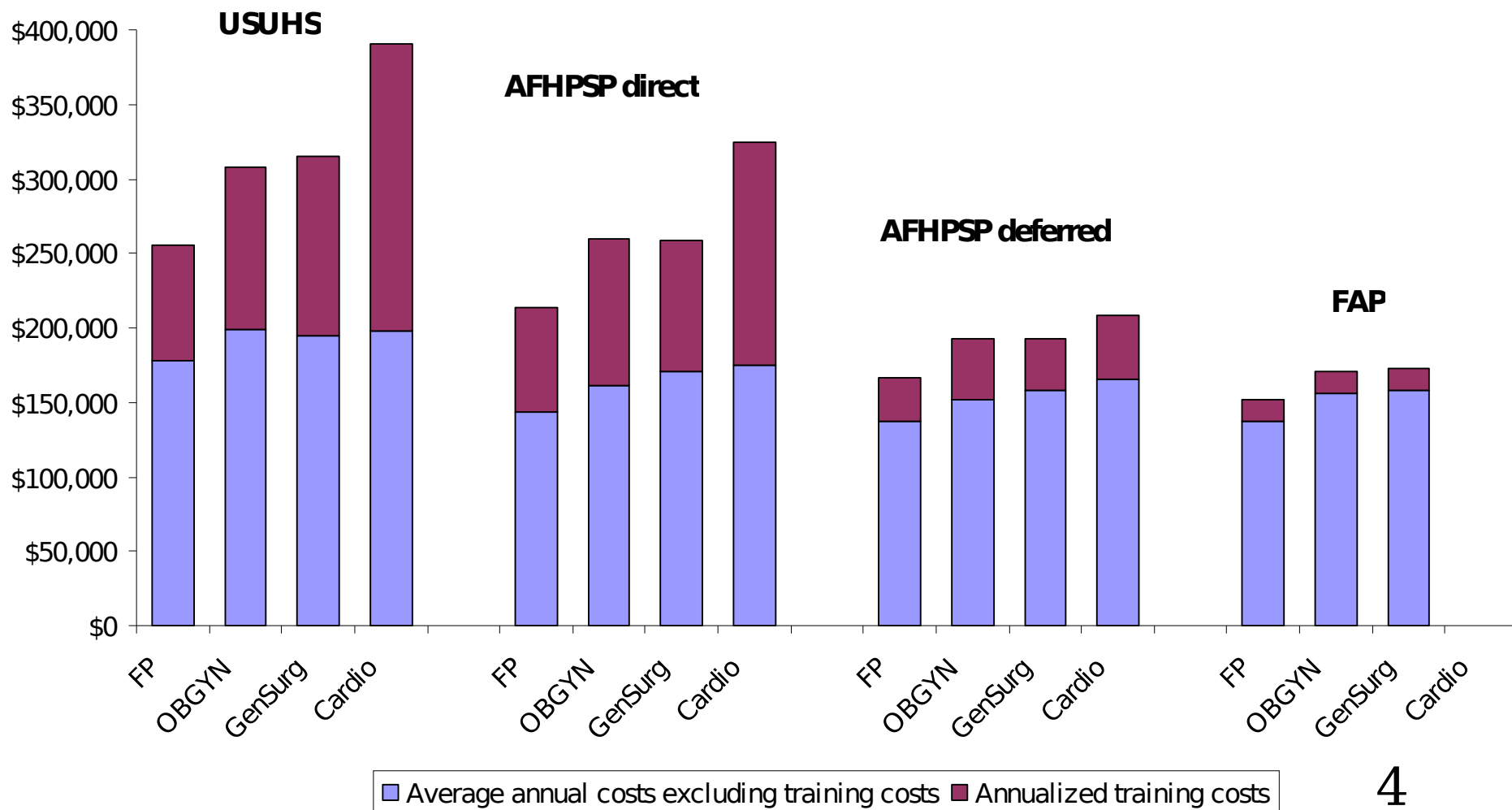


- What factors affect life-cycle costs?
 - Accession source
 - Retention
- Given life-cycle costs and system constraints
 - What is the optimal mix of accessions?
 - Is it more cost effective to increase accession subsidization or pay?

Physician flow by accession source



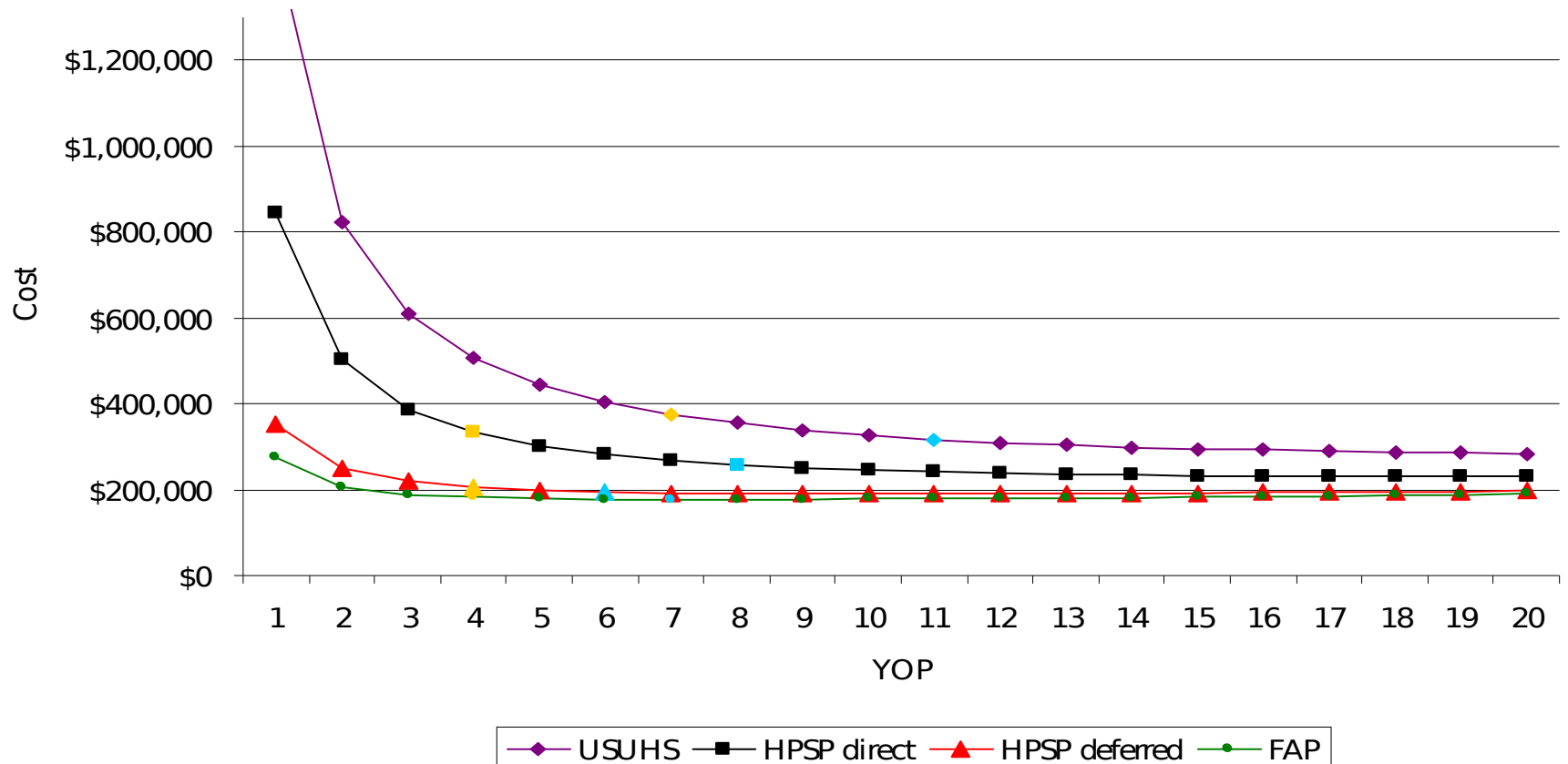
Training and non-training life-cycle costs by accession source



Cost comparison of four major physician accession sources

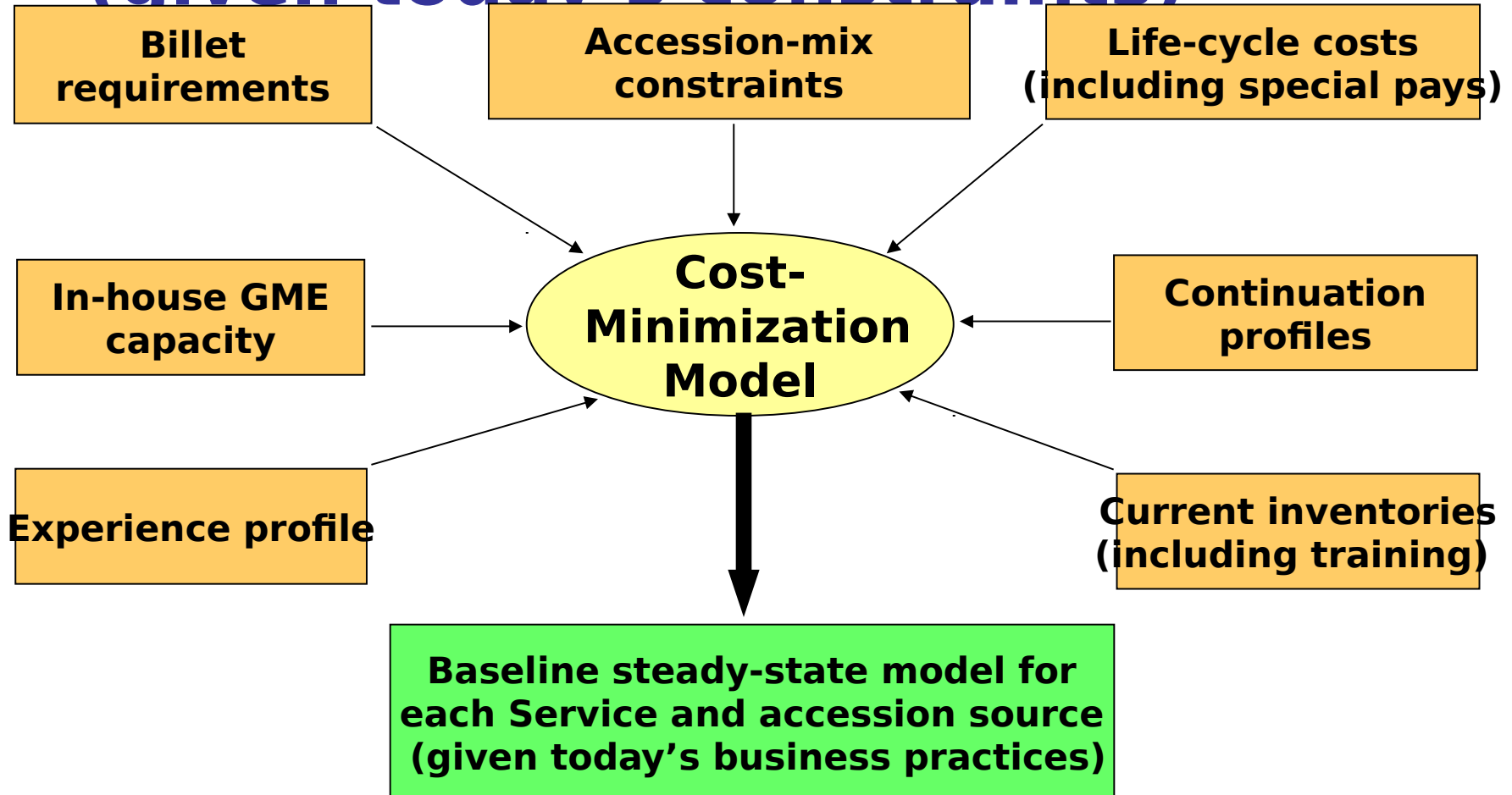


Cost per YOP by Accession Source, General Surgery, Army

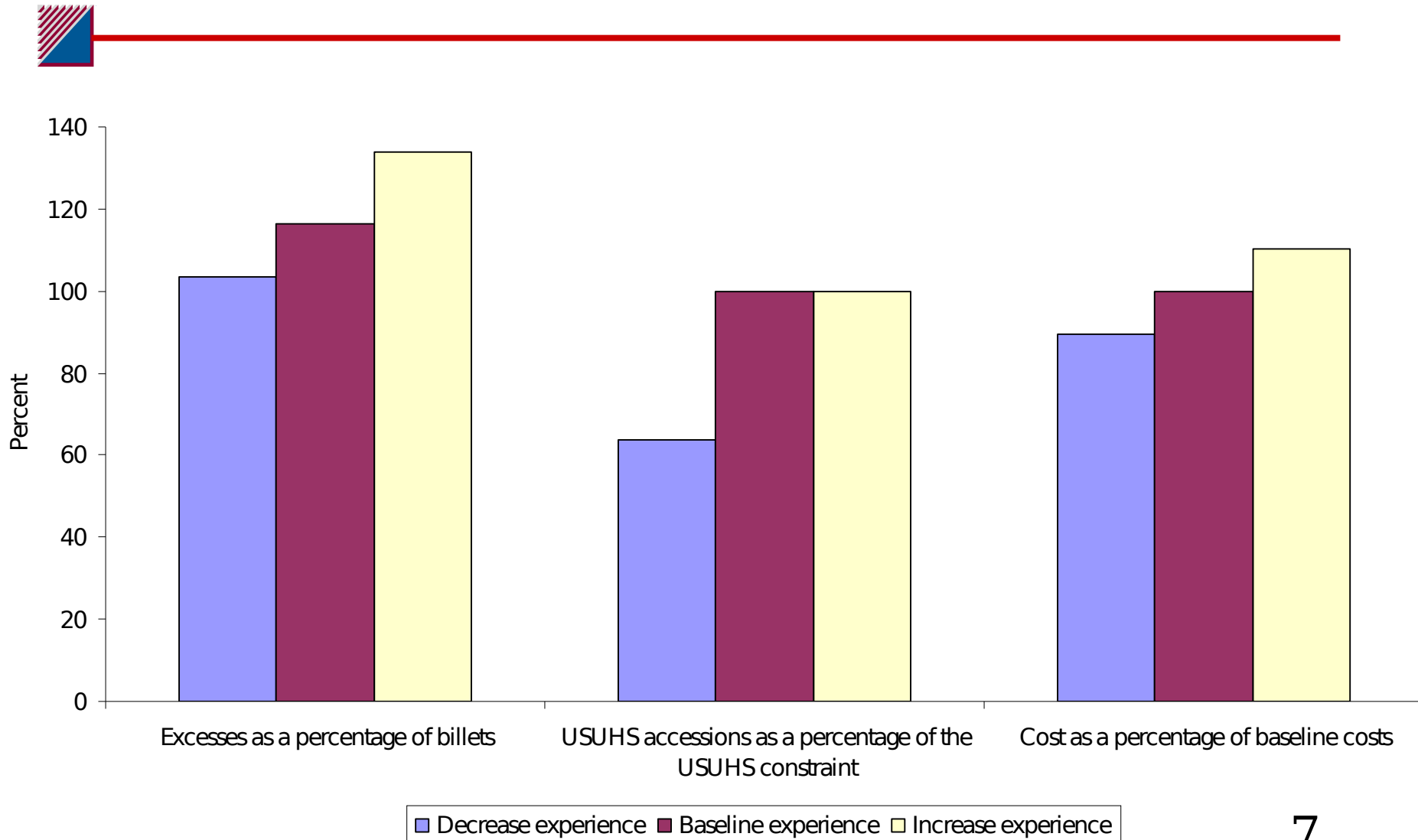


Finding the optimal accession mix

(given today's constraints)



Impact of experience constraint



Impact of FAP accession bonus



	Accession bonus	FAP accession constraint	Costs
Baseline	\$0	180	\$1,940 M
Excursion	\$100,000	276	\$1,896 M
Change	\$100,000	96 (53%)	\$-44 M (-2.3%)

Impact of special pay increases



Service	Baseline	Increase entitlement special pays	Increase discretionary special pays
Army	\$811 M (100.0%)	\$844 M (104.0%)	\$804 M (99.1%)
Navy	\$563 M (100.0%)	\$615 M (109.3%)	\$612 M (108.7%)
Air Force	\$566 M (100.0%)	\$536 M (94.6%)	\$522 M (92.1%)
MHS	\$1,940 M (100.0%)	\$1,995 M (102.8%)	\$1,938 M (99.9%)

Some early conclusions



- Accession source, career path, and associated active duty obligation are key drivers in shaping the force
 - Impact varies by Service
- Experience profile constraint is the most influential constraint
 - USUHS is a cost effective accession source if a lot of senior clinicians are needed
 - Key question for policy makers: how important is seniority for each specialty?
 - Does a senior force give you better readiness capability, patient satisfaction, productivity, and/or clinical outcomes?

Early conclusions (cont.)



- A \$100,000 FAP accession bonus decreases cost, but it is not a panacea to meeting total accession requirements
 - Results contingent on the Services' current business practices and recruiting incentives
- The effectiveness of special pay initiatives relies on some key factors
 - If the predominant career path is “long”, special pay initiatives are less effective
 - If DoD can effectively use a younger clinician force, special pays become more cost effective
 - Targeted special pay initiatives are more cost effective than across the board special pay initiatives